

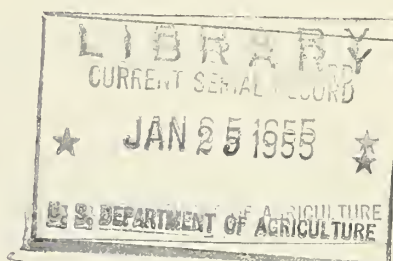
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MARKETING ACTIVITIES



U. S. DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE

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Research To Improve Markets And Marketing

By D. B. DeLoach

How well is the job of marketing agricultural commodities being done? Are the present functions in moving farm products from grower to consumer the best and most economical? Are there ways of performing the various necessary services - buying and selling, transporting, handling, processing and distributing - that will lower these costs? How are charges or margins in marketing arrived at?

A lot of questions, but the answers are fundamental to any improvement of our present agricultural marketing system. Through research, the answers to these and other questions relating to marketing and markets are being sought by the U. S. Department of Agriculture. The findings should go a long way towards increasing the efficiencies and lowering costs of marketing and should help in increasing returns to producers while providing consumers with what they want.

The agency doing the research work is the Market Organization and Costs Branch of the Agricultural Marketing Service - one of the four research branches of the Marketing Research Division of AMS. This Branch has the task of conducting research designed to improve marketing services, and to find ways of reducing marketing costs in a manner to encourage the maximum consumption of farm products at satisfactory prices.

Broad Field of Research

The research encompasses studies of marketing practices, channels, and organization, and their impact on costs and efficiency. Considerable effort is spent in measuring changes in farm-to-retail price spreads on food and fibers, in studying marketing costs and their relationship to the services performed, and in comparing costs and developing standards of efficiency which will aid farmers and marketing agencies in reducing costs or improving services. The research includes studies of commodity problems, in the dairy, poultry, livestock, grains, feeds, fibers, fruits, vegetables, and horticultural specialties fields. Attention is given also to costs of transportation, storage, financing, risk-taking, and wholesaling and retailing. An assignment of particular importance is that of developing economic information relating to the marketing of farm products for the purpose of appraising the agricultural marketing situation and outlook, both generally and for particular segments or commodities and for measuring and analyzing the overall factors affecting marketing efficiency.

The Market Organization and Costs Branch has seven commodity sections

and two functional sections. The commodity group includes dairy, fibers, fruits and vegetables, grains and feeds, livestock, poultry, and special crops. In addition, there is a section concerned with assembling and disseminating marketing information and statistics, and another that does research on marketing structures and practices of a cross-commodity character.

Special emphasis has been given to the so-called commodity problem areas during the past two years. Some highlights of the research program of the Branch are outlined below:

Dairy

The surplus of dairy products built up after 1951 and the changes that have taken place in the manner of processing, packaging, and distributing fluid milk have forced more rapid adjustments in the dairy industry than ordinarily occur within such a short period. This is particularly true as it relates to prices paid producers for milk. The research program of the dairy section has been designed to explain what has been occurring, how it has occurred, and what can be done to deal with the problem caused by the rapid adjustments in marketing practices and prices.

Dairy research projects have covered work in measuring marketing margins and costs and in explaining the reason for them. Studies are under way on the effect of public regulations on the marketing of milk and milk products. A substantial amount of work also is being done in the field of management practices, particularly those that relate to methods of buying and pricing milk and its products.

Another phase of dairy marketing research is in the field of waste disposal. The problem of economically utilizing or disposing of dairy plant wastes has become increasingly important because of pressure from public health officials and from agencies interested in preserving fish and wildlife. The Branch, in cooperation with Iowa State College, is carrying out a rather thorough study of the costs of alternative methods of disposal of dairy plant waste.

Fibers

Keen competition among yarn and fabric manufacturers has weakened considerably the financial position of many manufacturers of cotton and wool products during the past two years. This competition is of a twofold character; namely, that which exists between the manufacturers using cotton and wool and between cotton and wool manufacturers and the manufacturers of man-made fibers. Inasmuch as cotton producers must compete with man-made fibers, some of our research in cotton marketing is designed to test the suitability and adaptability of lower-grade and staple cotton for use in yarns and fabrics where it is not now being used.

Only a limited amount of research has been carried on in wool marketing. However, the Branch developed a comprehensive wool marketing research program for submission to the Wool Industry Advisory Committee. At the recent meeting in Denver, Colorado, the industry committee approved this program and the Branch is now making plans to develop research projects to aid the

industry in solving its marketing problems.

Fruits and Vegetables

Particular attention has been given to studies of the efficiency of labor use under varying conditions of employment in deciduous fruit and lettuce packing operations in California and in citrus packing operations in Florida. The possibilities for significant savings in labor use have shown up in these studies, particularly as they relate to the rate of sampling for grade and quality, and in the changing requirements for labor which result from altering product flow, plant layout, handling procedures, or types of equipment used. These studies have been carried on in cooperation with the California and Florida Agricultural Experiment Stations and are designed as a tool to be used by managers in improving the efficiency of particular handling operations within their own establishments.

Grains and Feeds

Work in the grains and feeds section has four facets. The first relates to the cost of processing mixed feeds with special attention to the effect of volume of output on cost of production. The second concerns the farm-to-retail price spread on wheat used in white bread. The third is a study of comparative costs of storing grain reserves in various locations. The fourth relates to the status of grain warehousing regulations in the principal grain producing States of the North Central region.

Livestock

Rapid fluctuations in the price of lower grade cattle in 1952 and 1953 focused attention on the spread between live animal prices and retail meat prices. As a result of the interest in this subject, the Branch engaged in a study of beef margins during 1953 and published the findings. This report was widely used by the industry and by members of Congress who were attempting to explain the price situation to producers and consumers. The livestock group is continuing its farm-to-retail price studies. In addition, it is cooperating with State Agricultural Experiment Stations in a number of projects relating to costs and efficiency of marketing livestock and in the development of a more complete marketing information service for the livestock industry.

Poultry

The work of the poultry section has centered around efficiency of processing plant operations, the influence of various merchandising practices on consumer purchases of poultry products, the effects of various methods of financing broiler production and marketing on marketing methods, and on studies of pricing methods for eggs and poultry. The growing concentration of broiler-slaughter operations has created a waste disposal problem of considerable magnitude in several broiler producing areas. In order to comply with health and sanitation requirements of the various States and municipalities, the industry is seeking economic ways to utilize or dispose of slaughter plant wastes. The Branch has undertaken an economic appraisal of alternative methods of waste disposal in order to assist

the industry in solving this problem.

With the lower prices that have prevailed in the poultry and egg markets during the last few months, cost and quality competition have become extremely important factors to poultry producers and marketing agencies. The research of the section is geared to providing information to poultry and egg producers and their marketing agencies that will aid them in making the adjustments that are necessary under conditions of rapid price and cost changes.

Special Crops

Four commodity research activities are centered in this section. They include research relating to (1) the cost and efficiency of processing and marketing vegetable oilseeds and their products; (2) costs and practices in marketing tobacco; (3) studies of marketing practices followed by sugar growers, processors, and marketing agencies with special attention to the possibilities for expanding the market for some of the byproducts of cane sugar processing operations; and (4) studies of marketing practices of the producers and handlers of horticultural specialties.

Market Structure and Practices

Emphasis has been placed on a study of the marketing of frozen foods and the extent to which a shift to the marketing of perishables in frozen form will necessitate adjustments in marketing practices and facilities. The primary objective of this work is to provide information that will aid the industry in developing its plans to adjust to a technological change in marketing that may make obsolete many of the practices and facilities now in use. Other work in this section concerns the various management practices that influence the cost of buying and selling farm products. Finally, the section has undertaken studies to learn the needs for marketing information and the most feasible ways for meeting such needs.

Marketing Information and Statistics

This section has the responsibility for preparing and publishing "The Marketing and Transportation Situation" which appears quarterly. The results of the work of the section show up in this publication in the form of marketing information and statistics that help to promote a better understanding of the cost of marketing farm products and the current developments and trends in marketing margins for several food groups. A recently revised leaflet, "The Farmer's Share of the Consumer's Food Dollar," explains in simple form the relationship between marketing services and margins. Because services are becoming increasingly important in marketing food, special attention is given to labor as a cost factor.

Cooperation with States

Cooperation with State Agricultural Experiment Stations and regional research technical committees is an important activity within the Branch. A considerable amount of research funds assigned to the Branch are allocated to cooperative projects carried on with State and regional groups.

Inverted Loading Protects Peaches

By Philip L. Breakiron

Inverting, or loading alternate baskets upside down, may be an effective way to reduce damage in rail shipments of fresh peaches. This may sound somewhat topsy-turvy but it is the most promising preliminary result of shipping experiments with one-half and one-bushel baskets of peaches from Georgia and South Carolina begun during the 1954 season.

The shipping tests, were conducted cooperatively by transportation and packaging specialists of the U. S. Department of Agriculture, the Association of American Railroads, the Railroad Perishable Inspection Agency, the Western Weighing and Inspection Bureau, and the American Veneer Package Association. The research will be continued during the 1955 season.

Shipping Losses Extensive

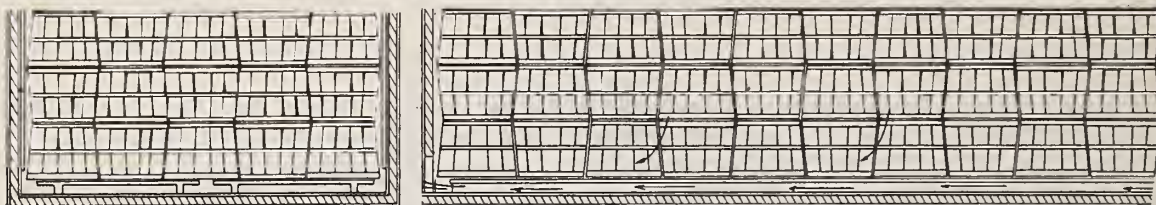
For many years approximately 95 percent of all peaches shipped by rail from the Southeast in one-half and one-bushel baskets have been loaded by the end-to-end offset or diagonal interlocking loading pattern. Container damage in this type of load has always been quite high. In the 1954 season, for example, 852 cars of bushel baskets loaded by the end-to-end offset pattern sustained 7.4 percent damage and 817 cars of one-half bushel baskets had 3.4 percent of the containers seriously damaged upon arrival at market. This involved a total of 46,814 damaged baskets of peaches, of which 25,964 baskets were damaged seriously enough to have to be disposed of at a substantial loss.

On the basis of these damage figures, it is estimated that for all rail shipments of peaches in baskets originated in the United States during the past season there was a total of more than 100,000 damaged baskets upon arrival of the shipments at terminal markets. The total of the damage, including loss and damage claim payments and the cost of repairing and repacking the many thousands of baskets, is estimated to approximate \$300,000. This loss of marketable fruit, transportation, and productive effort is of particular significance to the growers, handlers, and consumers of peaches inasmuch as the cost of the damage is in the long run reflected in the price the grower receives for his fruit and in the price the housewife pays for it.

In the shipping experiments conducted during the 1954 season, one rather common but little used loading pattern--the crosswise offset load--and one radically different pattern--the alternately inverted load--were



End and side views of *end-to-end offset* pattern of loading peach baskets. About 95 percent of all peaches moving by rail from Southeast are so loaded. Container damage has always been quite high in this type of load.



End and side views of alternately inverted load tested during past peach shipping season. Damage to containers in this method of loading was found to be considerably less than that occurring when either of the other loading methods was used.



End and side views of *crosswise offset* pattern of loading tested during past peach shipping season. Results were not so promising; comparative damage rates for this load were about the same as in *end-to-end* offset load.

tested against the conventional end-to-end offset load. (See drawings above.) A total of 40 test shipments by rail was made from Georgia and South Carolina to various northern markets, of which 18 were of the crosswise offset load, 13 of the alternately inverted loading method, and 9 end-to-end offset check shipments.

Shipping Experiments Give Promising Results

The results obtained with the crosswise offset loading pattern were not nearly as promising as those obtained with the alternately inverted load. Comparative damage rates for the crosswise offset load were found to be about the same as those in the conventional end-to-end offset load.

The seven alternately inverted test loads of bushel baskets sustained only about half as much damage to the baskets as the average damage rate for the conventional end-to-end offset load. In shipping tests with the one-half bushel baskets, the average damage rates for six alternately inverted loads were only about one-third the rate for the end-to-end offset load. Because of the large differences in the numbers of cars involved in this comparison and the wide range in damage for individual cars, comparatively little statistical significance can be attached to the differences in damage rates in favor of the alternately inverted load. However, considering the fact the individual damage rates for all alternately inverted loads, except two which sustained exceptionally rough handling in transit, were substantially under the average damage rates for the



This probably is an extreme case of damage due to shifting in a *crosswise offset* load. A 30 inch shift from right to left caused the heavy damage. Of 800 half-bushel baskets in the car, 296 were damaged.

end-to-end offset and crosswise offset loads, the results suggest that the new loading method may have considerable merit. This, however, can only be determined by additional shipping tests.

New Load is Compact

The alternately inverted loading pattern produces a tighter, more compact load than either the end-to-end offset or crosswise offset patterns. The individual baskets are less likely to move out of place in the alternately inverted load, thereby effectively preventing the load from becoming loose and consequently more susceptible to damage. The much greater degree of solidity of the alternately inverted load makes it considerably more resistant to lengthwise impacts that may produce damage in other loading patterns.

Due to the semi-conical shape of the baskets, in the end-to-end offset and crosswise offset loads the side-to-side area of contact between adjacent baskets in the loads is quite small, being confined almost entirely to the top rims of the baskets. At this point the baskets are somewhat flexible, and particularly so if the covers are not tightly fitted and properly secured. The lengthwise impacts trans-

mitted to the loads from the car body during transit are therefore concentrated on a relatively small area of the upper rims of the baskets. Lengthwise impacts of sufficient intensity to cause the load to shift frequently result in squeezing the baskets out of shape, loosening of the covers, and disarrangement and bruising of the fruit.

Inverting or loading every other basket in the load on its cover greatly increases the area of contact between the baskets in the load. The lengthwise impacts received by the loads during transit are therefore dispersed over a greater area of each basket in the load, resulting in less racking and squeezing of the baskets.

No Increase in Fruit Bruising

The alternately inverted load has been used for many years for shipping bushel baskets packed with spinach, kale and other vegetables not easily bruised. It has long been the general belief, however, that loading baskets of apples, peaches and similar fruit in this manner would cause considerable bruising to the fruit in the inverted baskets. Analysis of the types and causes of damage in conventional end-to-end and crosswise offset loads, together with some recent improvement in basket packing and closing, led to the experimentation with the alternately inverted load.

Inspection of the fruit in the alternately inverted load by Federal-State inspectors at the shipping point and by Federal inspectors at terminal markets revealed only normal bruising to the fruit in the baskets loaded by this method. As half the baskets in each alternately inverted load are in the same upright position as they are in the conventional end-to-end and crosswise offset loads, direct comparisons of fruit bruising in upright and inverted baskets were possible in each test load. Detailed inspection of the fruit in the upright and inverted baskets disclosed little or no difference in fruit bruising. It was also found that the peaches in the faces of the baskets in tight contact with the cover pads of the inverted baskets did not sustain significantly more bruising than peaches in the faces of the upright baskets.

The results of this limited experimentation with the alternately inverted load during the past season appear promising enough to warrant further tests of the new loading method in the 1955 shipping season.

* * *

Method also Tested on Truck Loads

The alternately inverted method of loading peaches also reduces damage losses in such shipments moving by truck. At the NAMO annual meeting at Purdue University in October, Davis Foreman, Superintendent, Illinois Division of Markets, reported on truck shipment tests made by that agency under an AM Act "matched fund" program project. He said that the Illinois study showed that average damage in alternately inverted loads was only about two-thirds as great and serious damage was less than one-half as great as that in conventional loads where all baskets were stacked upright. He also reported a reluctance on the part of receivers to accepting peaches shipped by the improved loading method.



Drinking More Milk -And They Love It

By Philip Fleming

The newest thing in milk marketing -- the Special School Milk Program -- is proving itself popular with producers and consumers alike.

An enthusiastic response was expected from dairy farmers and the industry -- and from school administrators -- for this effort to make more milk more readily available to more school children.

But, surprising to some, it has received an equally warm welcome from the school children, too!

Early reports on the program show that it is off to a good, quick start. And its speedy introduction, and the widespread approval it has received, promise it a bright future in introducing more of this generation of growing young Americans to the benefits--and the pleasures--of drinking plenty of good fresh milk.

The rapidity with which the program was introduced is an outstanding example of getting a new public program to work -- particularly impressive in view of the magnitude of the program, its wide extent, and the chain of Federal, State and local responsibility through which it operates.

The Special School Milk Program was announced September 10. Just five days later, the first of the States came into the program. And within two months, it was established in all 48 States and the District of Columbia.

This speed was achieved only by plenty of hard, fast work by its Federal administrators in the Agricultural Marketing Service of the U. S. Department of Agriculture, by State administrators in the State educational agencies, and by local administrators in school systems across the country. The program could be introduced so effectively and so quickly only by the willingness of all these people to give extra effort in behalf of the children who benefit from it.

Efforts of these workers in introducing the program were stimulated by reports of the hearty reception it has received by children, in the schools where it had already gotten under way.

That reaction was felt first in Wisconsin -- the first State in the program. The picture in the head of this article clearly illustrates the pleasure of the youngsters. And milk deliveries to Wisconsin schools at mid-November indicated the effect that response has had on milk consumption.

One school reported a gain of 57 percent; another reported the children drinking four times as much milk as they did a year ago.

These are, of course, individual reports of consumption increases; no figures are yet available on consumption increases for the country as a whole. End-of-October reports show that 32 States had some schools in operation during one or more days of that month, but only fragmentary reports are available for most of the States.

However, 11 of the States did have more than 100 schools participating. And figures from these States give an indication of how substantially the program has expanded milk markets in these cases. Increases ranged from 19 to 87 percent over last year -- with more than half these 11 States reporting increases of more than 50 percent.

32,000 Schools

End-of-November reports so far received cover only the number of schools participating. At that date, more than 32,000 schools had been approved for participation. This figure represents very creditable progress -- since States have had to arrange for administration of the program, develop operating procedures, design and print forms, and bring the program to the attention of local school officials.

These national figures are impressive. But the local stories, from the individual schools, are even more interesting. For one thing, the real challenge in the program comes in working with the children. The local stories of how school administrators have increased consumption add up to a heartening display of ingenuity and resourcefulness. Too, the methods they have devised and found successful offer suggestions on some of the many ways in which other schools can increase consumption.

Local schools are using a wide variety of promotional methods -- taking full advantage of the wide latitude the program provides. Local school administrators are allowed and encouraged to adjust methods and times of the additional milk service to their own individual needs.

To Increase Consumption

Many schools are offering children more than the usual half pint of milk with their school lunch. Others are combining this method with new recess servings. Others are offering children milk as soon as they arrive at school in the morning. Some have had outstanding success in offering hot chocolate, made from fluid whole milk, as soon as the school busses arrive after a long, cold ride.

Here are some examples of what local schools are doing to increase milk consumption under this Special School Milk Program:

A Montana school is offering a second serving of milk, free, to every child who finishes his lunch. A Georgia school offers a second half pint of milk with the regular lunch, at no additional charge, to all who want it. Schools in several rural communities in Minnesota are making it

possible for children to buy extra half pints of milk with their lunch. New York City schools are serving one-third quarts of milk -- instead of half-pints -- with the school lunch.

Many schools are serving milk at other times of day than lunch. A North Carolina school has nearly doubled consumption by making milk available both at the start of school and at recess. A Montana school offers each student another half pint of milk just prior to dismissal each afternoon. A Massachusetts school has successfully started a mid-morning recess serving, where milk is sold for 3 cents, while the noontime price is maintained at 5 cents.

A Wisconsin school which formerly served milk only with lunch is offering it to children at other times of day through use of a bulk dispensing machine. A vending machine also makes it possible for children in an Arkansas school to have milk throughout the day. Other schools serve milk to athletes after practice sessions each afternoon. One Texas school leaves it up to homeroom teachers to decide when the additional milk is served, and one teacher finds it very satisfactory to serve it during spelling class.

New Schools in Program

The Special School Milk Program has proved unusually successful in stimulating renewed efforts by local groups to be sure that all schools have access to a supply of fluid whole milk. Many schools which last year were unable to arrange for milk deliveries have now successfully completed arrangements with nearby dairies.

Through the special efforts of the principal of a Nevada school, milk deliveries have been arranged so that 78 children to whom milk had not been regularly available now consume almost 250 half pints daily. In a South Carolina county, 36 schools, unable to secure milk deliveries last year, have made arrangements for dairy deliveries. In a rural Arkansas County, two thousand children are now able, for the first time, to purchase milk at school. Trucks making milk pickups on farm-to-market routes bring back pasteurized milk to schools in the area.

Five Utah schools are now able to serve milk every school day, rather than only on the three days milk deliveries are made. The additional refrigerator facilities have been arranged in all schools, so they will be able to accept a two-day supply on each delivery day.

These are some of the local stories -- there are many more of them--- of how the Special School Milk Program has swung swiftly into action. They indicate how valuable a program this has proved in helping young Americans to get more milk -- long recognized as essential to the diets of growing children.

But this, many believe, is only the beginning. These are the facts and figures on the Special School Milk Program in its early stages. They provide encouraging evidence that the program has a powerful potential for expanding the markets for fluid milk.

Operation Humpty Dumpty

By Lynn Kennon

Record-breaking egg production that shows no tendency to let up until spring gives the entire egg marketing industry extra incentive this year for boosting its annual "January Egg Month."

The Department of Agriculture has pledged support for industry's merchandising efforts with a special Plentiful Foods Program for eggs in January. Department educational and informational facilities will be used widely to help call public attention to the abundant supplies, favorable consumer prices, and important food value of eggs.

Secretary of Agriculture Ezra Taft Benson has urged consumer and food industry cooperation in making "January Egg Month" a success. Poultrymen have done an outstanding job of making large supplies of high-quality eggs available to consumers. And now, the industry has developed an aggressive effort to move those eggs into use as food through normal trade channels.

Production Up 5 Percent

January eggs are more plentiful in 1955 than ever before. Production probably will run about 5 percent higher than in 1954, with the nation's laying flocks slightly larger than they were last January and egg production per hen on the increase as more and more poultry men adopt improved management techniques.

Consumer prices are unusually attractive now, and they're expected to continue so. Last fall, U. S. average egg prices received by farmers dropped to lower-than-spring levels--the first time on record it's ever happened. Since egg production will be taking a seasonal upturn until March or April, consumers will find eggs an exceptional value for several months.

With such a popular food to sell, poultrymen are confident that intensified merchandising activity during "January Egg Month" will ease their marketing difficulties. They point out that eggs are a friendly food--friendly to health and taste as well as to budgets.

Eggs make an important contribution to good nutrition. They're in the top class with foods like meat and milk when it comes to protein, and they contain vitamins A and B, two of the B vitamins (thiamine and riboflavin), and iron, phosphorus and other minerals. Eggs taste good too--at any meal, cooked in a variety of ways or used to improve foods like custards, sauces, cakes, and puddings. And the egg industry intends to make sure consumers know that this January they have the best opportunity ever to serve plenty of eggs.

NAMO Annual Meeting

The annual meeting of the National Association of Marketing Officials was held at Purdue University October 18-21, this year. A report on the first two days of the meeting appeared in the December 1954 issue of MARKETING ACTIVITIES. Here is a digest of the final two days' sessions.

C. W. Kitchen, Executive Vice-President, United Fresh Fruit and Vegetable Association, discussing the "new look" in marketing, said that the current trend in merchandising, "courting the customer," has meant more service, new packaging and processing techniques, and determining and supplying consumer wants. In fresh fruits and vegetables, he said, consumers have definite preferences: They prefer quality to low price, want freshness in appearance, texture, tenderness and taste, want commodities that are neither too large nor too small and want them clean, and will pay a premium for such products. In their shopping, he said, consumers like a large stock of good selection from which they can serve themselves; want convenience both in shopping and food preparation; like both packaged and bulk products and will buy more when offered in both forms; do most buying on Friday and Saturday at large one-stop stores; and are not satisfied with an attractive package as a substitute for quality.

USDA Research Commended

Mr. Kitchen praised the work of USDA in consumer surveys, merchandising training and the Department's emphasis on other marketing work and research. However, he questioned "a policy that seems to be forming" to discontinue financial support to grading and inspection work in order to make those services "fully self-supporting."

The speaker also commended the research being done by the Department on marketing costs, after pointing out the sharp increases in labor, transportation, taxes, rents and other costs in food distribution which have taken place in recent years. He added that while everyone would like to see farmers get more and consumers pay less, he felt that distribution costs will increase because consumers want more service and somebody has to pay for it.

Mr. Kitchen touched off considerable discussion when he urged those present to study and take a position on pending legislation (HR 9733) which would require potatoes marketed under U. S. grades to be inspected and certified as to grade and permitting state of origin markings on U. S. graded potatoes only when the area of production is verified to the satisfaction of the inspector. Those who spoke in favor of the proposed measure for the most part also felt that it should be extended to other fresh vegetables and fruits. Those who opposed it, generally did so on grounds of increased costs to producers and questioned the feasibility of extending shipping point inspection to the retail level.

F. C. Gaylord, Purdue University, opened a panel discussion on a grower, distributor, consumer distribution program by stating that Eastern producers are going to have to sell their products by direct distribution in limited areas if they expect to compete with nationally advertised products. He cited the successful example of an Indiana tomato cannery which is selling its products within a 50 mile radius by spending \$5,000 annually for advertising in the area.

The speaker also described an experiment undertaken by Purdue this year in marketing ripe peaches on a commercial basis. He said that 10 tons of fruit were handled during July to August with a loss of only 260 pounds. Peaches were picked so that they would be "soft-ripe" when they were delivered at retail outlets the second morning after picking. Stores which had sold only 2 bushels of "shipped-in" peaches the week before the project began, sold as high as 30 bushels of the experimental fruit the next week. For the entire study period cooperating stores boosted peach sales 1500 percent. During the study, peaches were hauled as far as 150 and 250 miles and held as long as 5 days at ordinary temperatures without loss from damage in transportation and handling. Mr. Gaylord said that the major problem was trouble with brown rot which the project sponsors will attempt to control next year.

Other State Programs

In the discussion, Louis Webster, Director, Division of Markets, Massachusetts, said that through their promotion efforts hothouse tomato growers in Massachusetts take in more money than other commercial tomato growers in the state. George Chick, Chief, Division of Markets, Maine, told of a successful potato washing program in his state in which washed potatoes outsold unwashed potatoes 4 to 1.

J. E. Youngblood, Director, South Carolina State Agricultural Marketing Commission, expressed wonder at the continuing increases in processing and distributing costs resulting from more consumer services and questioned whether it might not get out of hand. He also described the work that is being done in his state in "hydrocooling" peaches and said that the number of plants doing this had jumped from just 2 several years ago to 41 this year. He added that hydrocooled peaches have been kept in a home refrigerator up to 30 days.

A panel on most promising new service projects originated in 1954 was opened by Davis Foreman, Superintendent, Division of Markets, Illinois, who told of a cooperative project between the dairy industry and the Illinois marketing service in a program to (1) promote increased use of dairy products by teen-agers, working through home economists, vo-ag teachers, physical education and school health units; and (2) a pilot study with the cooperation of Southern Illinois University on attitudes of young people toward milk and motivating influences that might increase their milk consumption.

Mancil J. Vinson, Director, Division of Markets, Kentucky, described projects in his state including a new market information service designed to improve marketing at the local level by showing farmers where to sell,

by giving them information on supplies at markets and indicating necessary shifts in production in certain crops.

Paul Nystrom, Head, Division of Markets, Maryland, reported on an RMA matched-fund project designed to help canners there improve the quality of their pack and develop a merchandising program through a joint label or quality seal so that there will be sufficient volume to justify the advertising of their products. Matt Jennings, Chief, Bureau of Markets, Tennessee, described a broadened livestock market news service which makes the information available 30 minutes to an hour earlier in the mornings so farmers can better plan their marketing.

Economic Trade Barriers Hit

A panel on trade barriers was opened by W. L. Witte, first vice-president of NAMO and Chief, Markets Division, Wisconsin Department of Agriculture, who defined trade barriers as "the prevention or unreasonable restriction of moving a product, raw, processed or manufactured, from point of production to points of consumption because of some local or state law or regulation or the administration thereof for economic, health, or disease control purposes."

Pointing out that while restrictions for health or disease control purposes would be justified, the speaker emphasized that many times such restrictions are "purely economic to protect some local industry." "Generally speaking," Mr. Witte said, "barriers for economic reasons should not be acceptable to the best interests of both producer and consumer."

Harold Poulsen, Chief, Bureau of Fruit and Vegetable Standardization, California, held that regulatory measures of a State are justified if they (1) apply equally to products produced and marketed within the State and to those shipped into the State, (2) are just and not discriminatory, and (3) are within the rights of the State to protect its citizens (from fraud, deception, etc.). He urged that restrictions on the free movement of fruits and vegetables between States be eliminated to preserve just and proper regulations and laws.

W. L. Cathey, President of NAMO and Chief of Markets and Marketing, Georgia, explained that in his State most farm products move through State farmers' markets with no restrictions. He said that this has been successful since Georgia producers generally are able to sell their products to "unloaders" from outside of the State. "There are no restrictions on out-of-State agricultural products in Georgia that do not apply also to our own producers," he added.

Milk Controls Questioned

K. R. Slamp, Director, Bureau of Markets, Pennsylvania, declared that the most serious barriers - both interstate and intrastate - are milk control boards and orders. He said they encourage higher prices which lead to distribution inefficiencies that consumers have to pay for. "Too many figures are used and too little attention is given supply and demand in setting prices for milk under many of these orders," he added.

At the concluding session of the meeting, Ben Storrs, Chief, Division of Markets, Connecticut, chairman of a panel on ways and means of cutting distribution costs, stressed that farmers and those working with them must give increased attention to marketing and the problems connected with it. He added that work with retailers, seeking efficiencies at that stage of marketing, is a field where considerably more work could be done.

Dissemination of Marketing Research Results

W. C. Crow, Chief, Transportation and Facilities Branch, Agricultural Marketing Service, called on State Marketing Bureaus to improve their marketing service work and their efforts to reduce distribution costs. "Marketing research will go to waste unless someone in your organizations takes the information to the various industries and shows them how it can be put to work," he said. Pointing out that the State agencies have the opportunity under the AM Act matched-fund program to do this Mr. Crow cited four fields where the work is needed: To reduce losses from deterioration and spoilage; to improve marketing facilities; to reduce handling costs; and to improve transportation services, particularly the utilization of refrigerated carriers. He urged those present to attend the National Marketing Service Workshop at Columbus, Ohio, November 16 - 18.

"The two big things that need to be corrected in marketing are lack of coordination between the successive steps in the marketing channel and poor facilities and handling methods. You men can help in these fields," Mr. Crow emphasized. He described how major marketing problems have been solved by service work in some States.

F. W. Risher, Assistant Commissioner, Florida State Marketing Bureau, felt that produce will receive better care and attention if the title passes to the receiver at the shipping point. He urged the encouragement of more f.o.b. buying of farm products. Clement A. Lyon, Director, Division of Marketing and Standards, New Hampshire, said that tank truck handling of milk has "reduced distribution costs and increased quality," and New Hampshire farmers are getting at least 10 cents per hundredweight more for their milk. Wesley Windisch, Chief, Bureau of Markets, Ohio, thought that farmers could reduce their costs by doing some of their own transportation - up to 25 or 30 miles - and by reusing containers.

New NAMO Officers

At a business meeting concluding the 35th annual meeting of NAMO, the following officers were elected:

Mr. Witte of Wisconsin succeeded Mr. Cathey of Georgia as president. Mr. Windisch of Ohio succeeded Mr. Witte as first vice-president and Mr. Chick of Maine was elected second vice-president, the office formerly held by Mr. Windisch. Mr. Meek of Virginia was continued as secretary-treasurer. Mr. Cathey and W. A. Wunsch of New Mexico succeeded W. C. McMinimee, Chief, Division of Markets, Washington and C. J. Carey, Chief, Division of Marketing, California, as members of the Executive Committee of the group. The decision on the place for the 1955 meeting of the Association was left to the Executive Committee.

ABOUT MARKETING

The following addresses and publications, issued recently, may be obtained upon request. To order, check on this page the publications desired, detach and mail to the Agricultural Marketing Service, U. S. Department of Agriculture, Washington 25, D. C.

Addresses:

Present Situation and Outlook for Livestock. Summary of statement by Harold F. Breimyer at the Livestock Commodity Conference of the Arkansas Farm Bureau Federation, Little Rock, Ark., November 22, 1954. 4 pp.

The Commercial Potato Peeling Industry. Talk given by William N. Garrott at the Sixth Annual Potato Utilization Conference at Ithaca, New York, November 18, 1954. 11 pp.

Maintenance of Quality of Seafood Products During Transportation. Talk by Chas. B. Bowling, Chief, Freight Rate Service Branch, AMS, USDA, at Annual Meeting of Gulf and Caribbean Fisheries Institute, Havana, Cuba, November 14-20, 1954. 8 pp.

Publications:

Wool Statistics and Related Data. Statistical Bulletin No. 142. 135 pp.

Market Information--A Report of the National Marketing Workshop, August 26 to September 3, 1954--Cornell, University. Agricultural Marketing Service, USDA, cooperating with Land Grant Colleges. 227 pp.

The Khapra Beetle--a New Threat to Grain Handlers. Reprinted from The Northwestern Miller of September 14, 1954, by the AMS, USDA, October 26, 1954. 1 pp.

Possibilities for Reducing Handling Costs. Paper by William H. Elliott, Head, Handling and Facilities Research Section, Transportation and Facilities Branch, AMS, USDA, for National Marketing Service Workshop, Columbus, Ohio, November 17, 1954. 7 pp.

Recent Developments in the Protection of Stored Grain Against Insect Destruction and Contamination. Paper by Randall Latta, Head, Stored-Product Insects Section, Biological Sciences Branch, AMS, USDA, for National Grain Sanitation Conference, Kansas City, Mo., November 15-16, 1954. 13 pp.

A Study of Fluid Milk Margins in Northeastern Cities. No. 8-H. Is Marginal Utility Measurement the Key to a Comprehensive Theory in Marketing. No. 9-H. Harvard Studies in Marketing Farm Products. No. 8-H and 9-H one volume. 58 pp.

Core-Sampling Grease Wool for Fineness and Variability. 17 pp.

Price-Making and Price-Reporting in the Boston Egg Market. Harvard Studies in Marketing Farm Products, No. 7-H. 60 pp.

The Supply and Demand Structure of Food Retailing Services. Harvard Studies in Marketing Farm Products, No. 10-H. 64 pp.

Textile and Apparel Testing and Labeling. Harvard Studies in Marketing Farm Products, No. 5-H. 39 pp.

Fiber and Spinning Test Results for Some Varieties of Cotton Grown by Selected Cotton Improvement Groups, Crop of 1954 (Supplement No. 4). 26 pp.

Laboratory Equipment and Method for Making Nep Tests on Cotton Samples. 22 pp.

Report of the Federal Milk Order Study Committee on its review of the Federal Milk Marketing Order Program.

Marketing Agreements for Fruits and Vegetables--Some Questions and Answers. 9 pp.

United States Standards for Grades of Frozen French Fried Potatoes, Effective November 20, 1954. 4 pp.

United States Standards for Lettuce, Effective November 27, 1954. 4 pp.

Poultry and Egg Statistics, 1953. 23 pp.

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